

OL Files  
H. J. [unclear]  
Audit

**CONFIDENTIAL**

3 APR 1964

MEMORANDUM FOR: Chief, Audit Staff

SUBJECT: Response to Report of Audit, OCR,  
30 November 1963

1. The Report of Audit of the Office of Central Reference has been reviewed and a response is directed to the comments and recommendations indicated in paragraph 9.

2. Reference is made to that portion of paragraph 9.b. of the Audit Report reading, "We recognize that the Agency does receive a service from the distributor but in view of the significant increase in cost, we question whether the procurement of newspapers by this means is the best available." Discussion with OCR resulted in their agreement to reduction of their specific delivery service requirements; further, a re-examination of the method of procurement has been made and contrary to the generally accepted principle that the competitive bidding procedures are most likely to secure for the Government the benefits which flow from free and unrestricted competition, in this instance negotiation with selected sources will effect greater economies. To this end, it is proposed to negotiate four (4) separate contracts for fiscal year 1965. It is anticipated that cost savings will result from this action.

[Redacted Signature Box]

JAMES A. GARRISON  
Director of Logistics

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